



OFFICE OF THE SECRETARY

DEPARTMENT OF THE AIR FORCE  
WASHINGTON DC 20330-1000

August 18, 2004

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SAF/LLP  
1160 Air Force Pentagon  
Washington, DC 20330-1160

The Honorable J. Dennis Hastert  
Speaker of the House of Representatives  
Washington, DC 20515

Dear Mr. Speaker

This is to advise you that the Commander of Headquarters Air Force Reserve Command has conducted a cost comparison to reduce the cost of the Base Operating Support function at March Air Reserve Base (ARB), California. The cost comparison determined contract performance to be the most cost-effective method of operation and will result in a savings to the Government. The cost comparison was conducted in accordance with the policies and procedures of the Office of Management and Budget Circular A-76, *Performance of Commercial Activities*. The performance of this function by contractor personnel will not affect the military mission at March ARB, California.

The cost comparison began on July 8, 2004, and was based on a planned performance period of 60 months (February 1, 2005 – January 31, 2010). The cost of the contract is \$31,134,890. The Government will incur an additional expenditure in the amount of \$2,467,803 as a result of contract award, for a total cost under contracting of \$33,602,693. Pursuant to 10 USC 2461, the Air Force certifies that the Government in-house cost estimate is based on a most efficient and cost effective organization (MEO). The cost of performance by Government personnel would have been \$42,414,820 based on an MEO of 121 civilians. The Air Force certifies the cost comparison is available for examination. The Air Force also certifies that the factors considered in this cost comparison did not include any predetermined personnel constraint or limitation in terms of man-years, end strengths, full-time equivalent positions, or maximum number of employees.

There were 177 permanent civilian employees, 2 temporary civilian employees, and 8 term civilian employees assigned to this function at bid opening. Of these, 20 permanent civilian employees will be offered other Government positions, 98 permanent civilian employees will retire, and 59 permanent civilian employees, 2 temporary civilian employees and 8 term civilian employees will be involuntarily separated. The resulting effect on the total economic impact within the economic impact region is expected to be a decrease of 2.5%. A net decrease in secondary jobs created of 6.2% will probably occur.

We trust the information provided is useful. If you require additional details, please contact Lieutenant Colonel Tom Doyon at (703) 693-9110.

Sincerely

A handwritten signature in black ink, reading "Anthony L. Steadman". The signature is fluid and cursive, with the first name "Anthony" and last name "Steadman" clearly legible.

ANTHONY L. STEADMAN, Lt Colonel, USAF  
Deputy Chief, Programs and Legislation Division  
Office of Legislative Liaison

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